

## Appendix II

The University of Texas System

**THE UNIVERSITY OF TEXAS SYSTEM  
SYSTEMWIDE AND SYSTEM ADMINISTRATION INSURANCE POLICIES - FY 99**

Type of Policy <sup>1</sup>	Policy Period	Name of Insurance Company	Annual Premium <sup>2</sup>	Coverage Limit	Retention Amount (Deductible)	Funding Source	Open at Beginning of the FY	Open at the End of the FY	Closed During the FY with Payment	Closed During the FY without Payment	Amount Paid in Deductible	Amount Paid by Insurance Carrier <sup>3</sup>
Aircraft Hull	7/29/98 to 7/29/99	The American Insurance Co. Centennial Insurance Co. Continental Casualty Co. Federal Insurance Co. Fireman's Fund Insurance Co. Greenwich Insurance Co. Lumbermen's Mutual Casualty Co. United States Fidelity & Guaranty Co.	\$ 9,490	\$1,300,000	\$ -	State or Local	0	0	0	0	\$ -	\$ -
Aircraft Liability (Mexico)	7/29/98 to 7/29/99	Comercial America	Included above	BI \$82,875 PD \$132,125	\$ -	included above	0	0	0	0	\$ -	\$ -
Aircraft Liability	9/1/98 to 9/1/99	Purchased through State Aircraft Pooling Board	\$ 2,115	\$15,000,000 per Occ.	\$ -	State	0	0	0	0	\$ -	\$ -
Auto - Hired/Non Owned	10/1/98 to 9/8/99	Crum & Forster Indemnity Co.	\$ 1,487	BI \$250,000 Each Person \$500,000 Each Accident PD \$100,000 Comp. \$30,000 Coll. \$30,000	\$2,500 BI/PD Combined Deductible \$250 Comp. \$500 Coll.	Local	0	1	1	0	\$ 5,000.00	\$ 2,366.00
Auto (Combined Inland Marine)	12/18/98 to 12/18/01	Commercial Union	\$ 2,128	Per Vehicle Limits	\$1,500	State or Local	0	0	0	0	\$ -	\$ -
Auto (Combined)	12/18/98 to 12/18/99	North River Insurance	\$ 16,716	Per Vehicle Limits	\$100 Comp. \$500 Coll.	State or Local	0	0	1	0	\$ 500.00	\$ 1,364.00

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Type of Policy <sup>1</sup>	Policy Period	Name of Insurance Company	Annual Premium <sup>2</sup>	Coverage Limit	Retention Amount (Deductible)	Funding Source	Open at Beginning of the FY	Open at the End of the FY	Closed During the FY with Payment	Closed During the FY without Payment	Amount Paid in Deductible	Amount Paid by Insurance Carrier <sup>3</sup>
Auto (Men's Athletics)	1/28/99 to 1/28/00	North River Insurance	\$ 37,225	BI \$250,000 Each Person \$500,000 Each Accident PD \$100,000 PIP \$2,500 U/M (same limits as BI/PD)	\$100 Comp. \$250 Coll.	State or Local	0	1	2	0	\$ 500.00	\$ 885.00
Auto (Police)	1/20/99 to 1/20/00	North River Insurance	\$ 15,413	BI \$250,000 Each Person \$500,000 Each Accident PD \$100,000 PIP \$2,500 U/M (same limits as BI/PD)	\$250 Comp. \$500 Coll.	State or Local	0	0	0	0	\$ -	\$ -
Auto Liability (Systemwide)	9/8/98 to 9/8/99	Crum & Forster Indemnity Co.	\$ 324,365	BI \$250,000 Each Person \$500,000 Each Accident PD \$100,000	\$2,500 BI/PD Combined Deductible	State or Local	0	46	26	37	\$ 66,872.87	\$ 146,207.00
Commercial Crime	11/1/97 to 11/1/00	National Union Fire Insurance Co.	\$ 106,875	Employee Dishonesty \$3,000,000 Forgery \$3,000,000 Theft Disappearance and Destruction \$3,000,000 Property other than Money and Securities \$3,000,000 Computer Fraud \$3,000,000	\$50,000	State or Local	0	0	0	0	\$ -	\$ -
Commercial Garage	5/19/98 to 5/19/99	United States Fire Insurance Co.	\$ 1,854	\$400,000 per Acc. \$400,000 Aggregate \$30,000 Comp. \$30,000 Coll.	\$100 Comp. \$500 Max \$250 Coll.	Local	0	0	0	1	\$ -	\$ -
Credit Insurance - West Texas Lands	12/1/98 to 12/1/99	American Credit Indemnity Co.	\$ 18,000	\$5,000,000 Various Sublimits Apply	\$20,000 Qualifying \$25,000 Non-Qualifying	State	0	0	0	0	\$ -	\$ -

**THE UNIVERSITY OF TEXAS SYSTEM  
SYSTEMWIDE AND SYSTEM ADMINISTRATION INSURANCE POLICIES - FY 99**

Type of Policy <sup>1</sup>	Policy Period	Name of Insurance Company	Annual Premium <sup>2</sup>	Coverage Limit	Retention Amount (Deductible)	Funding Source	Open at Beginning of the FY	Open at the End of the FY	Closed During the FY with Payment	Closed During the FY without Payment	Amount Paid in Deductible	Amount Paid by Insurance Carrier <sup>3</sup>
Directors & Officers Liability	9/1/97 to 9/1/2000	National Union Fire Insurance Co.	\$ 192,500	\$10,000,000	\$100,000 per Director & Officer Maximum of \$300,000 per Claim	State or Local	0	43	2	54	\$ 28,500	\$ -
Inland Marine (Equipment)	9/1/98 to 9/1/99	General Accident Insurance	\$ 63,055	Per Location Limits	\$1,000	State or Local	0	0	7	0	\$ 6,000.00	\$ 25,877.83
Ocean Cargo	9/1/98 to 9/1/99	Potomac Insurance Co./General Accident Insurance	\$ 2,376	Varies per Trip	\$1,000 Standard but Deductible Can Vary per Trip	State or Local	0	0	0	0	\$ -	\$ -
Property	11/9/98 to 11/9/01	Industrial Risk Insurers	\$ 3,508,250	\$1,000,000,000 Per Occ. Various Sublimits Apply	\$5,000,000 Aggregate \$25,000 per Occurrence after Deductible Attained	State or Local	0	0	0	4	\$ 115,313.25	\$ -
Boiler & Machinery	11/9/98 to 11/9/01	Hartford	included above	\$100,000,000 Equipment Breakdown Various Sublimits Apply	\$25,000 per Occ. \$100,000 Power Plant \$200,000 360MWGTG	State or Local	0	0	1	1	\$ 29,241.00	\$ 8,850.33
Property & Liability Endowment Properties	2/10/98 to 2/10/99	North River Insurance	\$ 39,593	\$2,000,000 Aggregate \$2,000,000 Products/Completed Ops. \$2,000,000 Personal/Advertising injury \$2,000,000 Per Occ. \$50,000 Fire Damage \$5,000 Medical Expense Property Limits Vary by Location	\$1,000 Property	Local	0	0	1	0	\$ 1,000.00	\$ 6,119.47

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SYSTEMWIDE AND SYSTEM ADMINISTRATION INSURANCE POLICIES - FY 99**

Type of Policy <sup>1</sup>	Policy Period	Name of Insurance Company	Annual Premium <sup>2</sup>	Coverage Limit	Retention Amount (Deductible)	Funding Source	Open at Beginning of the FY	Open at the End of the FY	Closed During the FY with Payment	Closed During the FY without Payment	Amount Paid in Deductible	Amount Paid by Insurance Carrier <sup>3</sup>
Spectator Liability	11/10/98 to 11/10/99	National Fire & Marine	\$ 2,231	\$1,000,000 Agg. \$1,000,000 Per Occ.	BI - \$250 per Claim PD - \$250 Per Claim	Local	0	0	0	0	\$ -	\$ -
Tenant Liability	2/27/99 to 2/27/00	United National Insurance Co.	\$ 1,916	\$2,000,000 Per Location \$1,000,000 Products Completed Ops \$1,000,000 Personal & Adver. Injury \$1,000,000 Each Occ. \$100,000 Fire Damage \$5,000 Medical Expense	\$1,000 BI/PD Combined	Local	0	0	0	0	\$ -	\$ -

(1) The policies shown were purchased for the benefit of UT System or for more than one institution. Policies selected contain effective dates that most closely match FY 99.

(2) In some cases, figures include premiums paid outside the FY to prevent misrepresenting the true cost of the policy.

(3) Efforts were made to restrict this figure to amounts paid during FY 99; however, some payments made after FY 99 may be included.

Prepared by: Stacy Youngdale

Signature: Stacy Youngdale

Phone: 512-499-4401

Title: Risk + Insurance Analyst

Date: 12/8/99

Director: Phillip B. Dandy

Director Signature: Phillip B. Dandy

Phone: 512-499-4578

Date: 12/8/99

# FY 1999 PROPERTY LOSSES INCURRED BY UT SYSTEM

**AGENCY NAME:** UT System

**COMPTROLLER AGENCY CODE:** 714, 721, 721A, 721B, 721C, 747, 738, 724, 736, 736A, 742, 743, 743A, 750, 729, 723, 745, 744, 506, 506A, 785, 720, 720A

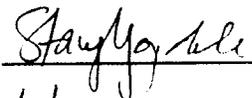
TYPE	NUMBER OF INCIDENTS	TOTAL LOSSES	
Building Structure	4	\$	115,313.25 <sup>1</sup>
Contents	included above		included above
Auto (Uninsured Physical Damage Losses)	115		See Note 2
Auto (Insured Physical Damage Losses/Deductibles Only)	8	\$	3,000.00
Other Equipment	9	\$	35,241.00 <sup>3</sup>
<b>TOTAL</b>	<b>136</b>	\$	<b>153,554.25</b>

(1) All four losses fell within UT System's deductible.

(2) Damages to owned vehicles are paid directly by the individual institutions. This information is not recorded on a system-wide basis.

(3) Includes Boiler & Machinery loss deductibles and other equipment loss deductibles. Any uninsured equipment losses would be paid directly by the individual institutions.

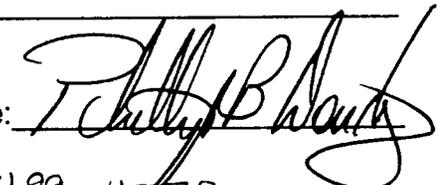
Name: Stacy Youngdale

Signature: 

Title: Risk + Insurance Analyst

Date: 12/8/99

Director Name: Phillip B. Dendy

Director Signature: 

Date: 12/8/99

Phone: 512-499-4578

**THE UNIVERSITY OF TEXAS SYSTEM  
SYSTEMWIDE AND SYSTEM ADMINISTRATION INSURANCE POLICIES - FY 98**

Type of Policy <sup>1</sup>	Policy Period	Name of Insurance Company	Annual Premium <sup>2</sup>	Coverage Limit	Retention Amount (Deductible)	Funding Source	Open at Beginning of the FY	Open at the End of the FY	Closed During the FY with Payment	Closed During the FY without Payment	Amount Paid in Deductible	Amount Paid by Insurance Carrier <sup>3</sup>
Aircraft Hull	7/29/97 to 7/29/98	The American Insurance Co. Centennial Insurance Co. Continental Casualty Co. Federal Insurance Co. Fireman's Fund Insurance Co. Greenwich Insurance Co. Lumbermen's Mutual Casualty Co. United States Fidelity & Guaranty Co. Sun Insurance Office	\$ 9,100	\$1,300,000	\$ -	State or Local	0	0	0	0	\$ -	\$ -
Aircraft Liability (Mexico)	7/29/97 to 7/29/98	Commercial America	included above	BI \$925,750 PD \$116,418	\$ -	included above	0	0	0	0	\$ -	\$ -
Aircraft Liability	9/1/97 to 9/1/98	Purchased through State Aircraft Pooling Board	\$ 2,115	\$15,000,000 Per Occ.	\$ -	State	0	0	0	0	\$ -	\$ -
Auto - Hired/Non Owned	10/1/97 to 10/1/98	United States Fire Insurance Co.	\$ 1,500	BI \$250,000 Each Person \$500,000 Each Accident PD \$100,000 Comp. \$30,000 Coll. \$30,000	\$2,500 BI/PD Combined Deductible \$250 Comp. \$500 Coll.	Local	0	1	0	1	\$ 2,500	\$ 20,225
Auto (Combined Inland Marine)	12/18/97 to 12/18/98	Commercial Union	\$ 1,937	Limits per vehicle	\$1,500	State or Local	0	0	0	0	\$ -	\$ -
Auto (Combined)	12/18/97 to 12/18/98	Commercial Union	\$ 20,190	Limits per vehicle	\$100 Comp. \$500 Coll.	State or Local	0	0	0	0	\$ -	\$ -

**THE UNIVERSITY OF TEXAS SYSTEM  
SYSTEMWIDE AND SYSTEM ADMINISTRATION INSURANCE POLICIES - FY 98**

Type of Policy <sup>1</sup>	Policy Period	Name of Insurance Company	Annual Premium <sup>2</sup>	Coverage Limit	Retention Amount (Deductible)	Funding Source	Open at Beginning of the FY	Open at the End of the FY	Closed During the FY with Payment	Closed During the FY without Payment	Amount Paid in Deductible	Amount Paid by Insurance Carrier <sup>3</sup>
Auto (Men's Athletics)	1/28/98 to 1/28/99	North River Insurance	\$ 44,861	BI \$250,000 Each Person \$500,000 Each Accident PD \$100,000 PIP \$2,500 U/M (same limits as BI/PD)	\$100 Comp. \$250 Coll.	State or Local	0	1	5	1	\$ 1,100	\$ 8,626
Auto (Police)	1/20/98 to 1/20/99	North River Insurance	\$ 21,411	BI \$250,000 Each Person \$500,000 Each Accident PD \$100,000 PIP \$2,500 U/M (same limits as BI/PD)	\$250 Comp. \$500 Coll.	State or Local	0	0	1	0	\$ 250	\$ 390
Auto Liability (Systemwide)	9/8/97 to 9/8/98	United States Fire Insurance Co.	\$ 326,432	BI \$250,000 Each Person \$500,000 Each Accident PD \$100,000	\$2,500 BI/PD Combined Deductible	State or Local	0	46	29	23	\$ 63,718	\$ 196,663
Commercial Crime	11/1/97 to 11/1/00	National Union Fire Insurance Co.	\$ 106,875	Employee Dishonesty \$3,000,000 Forgery \$3,000,000 Theft Disappearance and Destruction \$3,000,000 Property other than Money and Securities \$3,000,000 Computer Fraud \$3,000,000	\$50,000	State or Local	0	0	0	0	\$ -	\$ -
Commercial Garage	5/19/97 to 5/19/98	United States Fire Insurance Co.	\$ 2,502	\$400,000 per Acc. \$400,000 Aggregate \$30,000 Comp. \$30,000 Coll.	\$100 Comp. \$250 Coll.	Local	0	0	0	0	\$ -	\$ -
Credit Insurance - West Texas Lands	12/1/97 to 12/1/98	American Credit Indemnity Co.	\$ 18,000	\$5,000,000 Various Sublimits Apply	\$20,000 Qualifying \$25,000 Non-Qualifying	State and Local	0	0	0	0	\$ -	\$ -

**THE UNIVERSITY OF TEXAS SYSTEM  
SYSTEMWIDE AND SYSTEM ADMINISTRATION INSURANCE POLICIES - FY 98**

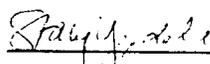
Type of Policy <sup>1</sup>	Policy Period	Name of Insurance Company	Annual Premium <sup>2</sup>	Coverage Limit	Retention Amount (Deductible)	Funding Source	Open at Beginning of the FY	Open at the End of the FY	Closed During the FY with Payment	Closed During the FY without Payment	Amount Paid in Deductible	Amount Paid by Insurance Carrier <sup>3</sup>
Directors & Officers Liability	9/1/97 to 9/1/2000	National Union Fire Insurance Co.	\$ 82,500	\$10,000,000	\$100,000 per Director & Officer Maximum of \$300,000 per Claim	State or Local	0	11	0	19	\$ -	\$ -
Inland Marine (Equipment)	8/22/97 to 8/22/98	Potomac Insurance Co./General Accident	\$ 45,390	Separate Limits per Location	\$1,000 per Occurrence	State or Local	0	0	6	0	\$ 6,000	\$ 15,000
Ocean Cargo	9/1/97 to 9/1/98	Potomac Insurance Co./General Accident	\$ 2,275	Varies per Trip	\$1,000 Standard but Deductible Can Vary per Trip	State or Local	0	0	0	0	\$ -	\$ -
Property & Liability - Endowment Properties	2/10/98 to 2/10/99	North River Insurance Co.	\$ 43,586	\$2,000,000 Aggregate \$2,000,000 Products/ Completed Ops. \$2,000,000 Personal/ Advertising Injury \$2,000,000 Per Occurrence \$50,000 Fire Damage \$5,000 Medical Expense Property Limits Vary by Location	\$1,000 Property	Local	0	0	1	0	\$ 1,000	\$ 337
Property and Boiler & Machinery	11/9/97 to 11/9/98	Arkwright	\$ 1,390,767	\$1,000,000,000 Per Occurrence Various Sub-Limits Apply	\$5,000,000 Per Occurrence Various Deductibles for Boiler & Machinery \$1% Wind and Flood Deductible in Galveston \$25,000 per Loss after \$5,000,000 deductible attained	State or Local	0	3	1	3	\$ 150,712	\$ 124,201 <sup>4</sup>

**THE UNIVERSITY OF TEXAS SYSTEM  
SYSTEMWIDE AND SYSTEM ADMINISTRATION INSURANCE POLICIES - FY 98**

Type of Policy <sup>1</sup>	Policy Period	Name of Insurance Company	Annual Premium <sup>2</sup>	Coverage Limit	Retention Amount (Deductible)	Funding Source	Open at Beginning of the FY	Open at the End of the FY	Closed During the FY with Payment	Closed During the FY without Payment	Amount Paid in Deductible	Amount Paid by Insurance Carrier <sup>3</sup>
Spectator Liability	11/10/97 to 11/10/98	National Fire and Marine Insurance Co.	\$ 6,851	\$1,000,000 Agg. \$1,000,000 Per Occ.	BI - \$250 per Claim PD - \$250 Per Claim	Local	0	0	0	0	\$ -	\$ -
Tenant Liability	2/27/98 to 2/27/99	Commercial Union	\$ 4,199	\$1,000,000 Aggregate \$1,000,000 Products/ Completed Ops \$1,000,000 Personal & Adver. Injury \$1,000,000 Each Occ. \$100,000 Fire Damage \$5,000 Medical Expense	Property \$1,000	Local	0	0	0	0	\$ -	\$ -

- ) The policies shown were purchased for the benefit of UT System or for more than one institution. Policies selected contain effective dates that most closely match FY 98.
- ) In some cases, figures include premiums paid outside the FY to prevent misrepresenting the true cost of the policy.
- ) Efforts were made to restrict this figure to amounts paid during FY 98; however, some payments made after FY 98 may be included.
- ) Three Boiler and Machinery claims are still pending with the insurance carrier. A \$20,000 deductible for each claim has been included in the "Amount Paid in Deductible" column.

Prepared by: Stacy Youngdale  
 Title: Risk + Insurance Analyst  
 Director: Phillip S. Dandy

Signature:   
 Date: 12/9/97  
 Director Signature:   
 Date: 12/8/97

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 Phone: 512-477-4578

## FY 1998 PROPERTY LOSSES INCURRED BY UT SYSTEM

**AGENCY NAME:** UT System

**COMPTROLLER AGENCY CODE:** 714, 721, 721A, 721B, 721C, 747, 738, 724, 736, 736A, 742, 743, 743A, 750, 729, 723, 745, 744, 506, 506A, 785, 720, 720A

TYPE	NUMBER OF INCIDENTS	TOTAL LOSSES
Building Structure	2	\$ 57,725.00
Contents	included above	included above
Auto (Uninsured Physical Damage Losses)	102	See Note 2
Auto (Insured Physical Damage Losses/Deductibles Only)	11	\$ 2,350.00
Other Equipment	9	\$ 99,314.85
<b>TOTAL</b>	<b>124</b>	<b>\$ 159,389.85</b>

(1) Both losses fell within UT System's deductible.

(2) Damages to owned vehicles are paid directly by the individual institutions. This information is not recorded on a system-wide basis.

(3) Includes Boiler & Machinery loss deductibles and other equipment loss deductibles. Any uninsured equipment losses would be paid directly by the individual institutions. Three Boiler & Machinery claims are still pending with the insurance carrier. The cost of repairs and cleanup is included above. However, the loss amount will be reduced if recovery is made from the carrier. (Labor, business continuation expenses and subsequent retubing expenses are not included above.)

Name: Stacy Youngdale

Title: Risk + Insurance Analyst

Director Name: Phillip B. Dendy

Date: 12/8/99

Signature: Stacy Youngdale

Date: 12/8/99

Director Signature: Phillip B. Dendy

Phone: 512-499-4576

# **The University of Texas System Rolling Owner-Controlled Insurance Program**

## **Definition of a ROCIP**

A ROCIP is the centralized purchasing of insurance (workers' compensation, general liability, excess liability and builder's risk) for all contractors working on a project site. Customarily, this insurance is purchased by each contractor in small quantities from different insurers, and the cost is passed through to the University in the general contractor's bid. In a ROCIP, there is usually only one insurance company which issues separate policies to the contractor and each subcontractor on a project.

## **How UT System's ROCIP Works**

Under a ROCIP, the University directs all contractors to prepare their bids, excluding insurance costs, related to the specific project. The University secures policies for all contractors working on the project site. The net cost of the insurance policy placed by the University is "loss sensitive," in that savings to the University fluctuates with claim payments. A large emphasis is placed on loss control and safety to maximize the savings potential for the University.

The contractors report their payrolls to the ROCIP insurance carrier rather than to their own insurance companies. Funds saved by not allowing contractors to pass-through insurance costs as part of their bid on a project are used to pay for the University-procured policies. All claims related to the project sites are paid by the ROCIP insurance carrier. Once the projects are completed, all policies, except for completed operations coverage, are terminated.

A ROCIP presents advantages over conventional construction insurance and loss control procedures for two specific reasons: (1) creating economies of scale by centralizing the purchased insurance coverage and (2) streamlining project management by coordinating a number of on-site functions (loss control, safety, security, record keeping, etc.) under a single authority. Control is the key to the operation and success of a ROCIP as it is provided for essential project insurance lines, subcontractors in all tiers through their contracts, site security, and loss prevention and claims management programs by the University.

### **Background and History of the Program**

In an effort to effect greater cost control on construction projects within The University of Texas System, Business and Administrative Services investigated the feasibility of participating in an Owner-Controlled Insurance Program (OCIP) for the M.D. Anderson Bertner Project managed by the Office of Facilities Planning and Construction. It was determined that an OCIP was the most effective and inexpensive method of insuring liability exposures for this project and was attractive because it provided contractors, as well as the University, with uniform coverage, higher limits, improved claims administration, and continuity of coverage through the contract term.

In 1994, an Owner-Controlled Insurance Program (OCIP) was implemented on the Bertner construction project at M.D. Anderson. This innovative program provided insurance coverage for the prime contractor and sub-contractors for general liability, workers' compensation, excess liability and builder's risk. The savings to the project as a result of purchasing insurance in this manner were in excess of \$1,000,000.

In 1997, with the success of the Bertner OCIP, the University decided to expand this program to include numerous construction projects at several institutions. The Rolling Owner-Controlled Insurance Program (ROCIP) provided similar coverage for nineteen (19) projects totaling over \$200 million in construction values. These projects are approximately 85% complete. The projected savings as of October 20, 1999 are over \$1.7 million. That number will fluctuate depending on additional claim activity until project completion and payroll audits which may result in deductive change orders.

In April 1999, the University began ROCIP II which extended the program for an additional \$180 million in construction projects. By July 1999, anticipated construction projects through the end of the calendar year had values over \$300 million. At that time, the University expanded ROCIP II to cover the additional construction projects. As of October 20, 1999, sixteen (16) projects totaling \$190 million in construction values have been enrolled in ROCIP II. It is much too early to estimate savings on ROCIP II, however, if past experience is an indicator, the University anticipates savings to be significant.

The University is currently evaluating proposals for ROCIP III and intends to contract with a third-party administrator by mid-December. ROCIP III will include a minimum of \$300 million in construction values over a four-year term.

### **Benefits of a ROCIP**

Insurance costs are considered an expense item in the contractors' and subcontractors' bids. Consequently, contractors and subcontractors include an additional 5-10% in overhead charges, which are passed on to the University in their bid. In addition, when the insurance is purchased on an individual basis by each contractor/subcontractor, the premium is paid up front in its entirety. In a ROCIP, the combined purchasing power enables the University to structure its premium and loss reserve payments over a longer period of time.

A ROCIP will provide insurance coverages and limits that small or HUB-owned businesses would normally not be able to purchase on their own.

Allowing the general contractors and subcontractors to purchase their policies of insurance separately and from different insurers creates a combination of varying limits, coverages, wordings, retentions, etc. A ROCIP standardizes the overall program and assures the University uniformity of coverage. It also reduces the potential for insurance-related litigation between contractors.

By controlling the insurance through a ROCIP, the University will be able to monitor safety programs and procedures for the project. This is one of the key elements of the ROCIP because "loss" dollars saved flow directly back to the University.